

## Technical Aspects about the MERIT Methodology

*(Media concentration and winner-take-all effect; positive and negative notoriety; media value and popularity; other clarifications and questions).*

We examine now various methodological aspects to keep in mind. **First** is the so-called winner-take-all effect. This is a very characteristic and paradigmatic phenomenon in many industries and professional sports. In effect, professional sports (and, specifically, the market for football events) are characterized by the presence of the winner-take-all effect. In these cases, the mere fact of being slightly better than the other competitors results in a compensation that is more than proportional to their performance. For example, in industries like movies and music, the market leaders receive salaries that are more than proportional to their productivity. This idea was highlighted by several economists in the 1990s, who warned of the existence of inefficient investor behavior in the race to obtain the best players, i.e. those who achieve the status of football stars.

Thus, along with average talents, the football player market is composed of a few players with extraordinary abilities. The unique factors, which only a few possess in such high degree, bestow the status of media stars upon them and allows them to benefit from the winner-take-all effect. A relatively large number of clubs, not just in the national context, will be in fierce competition to snatch up these few players, who will therefore enjoy greater bargaining power.

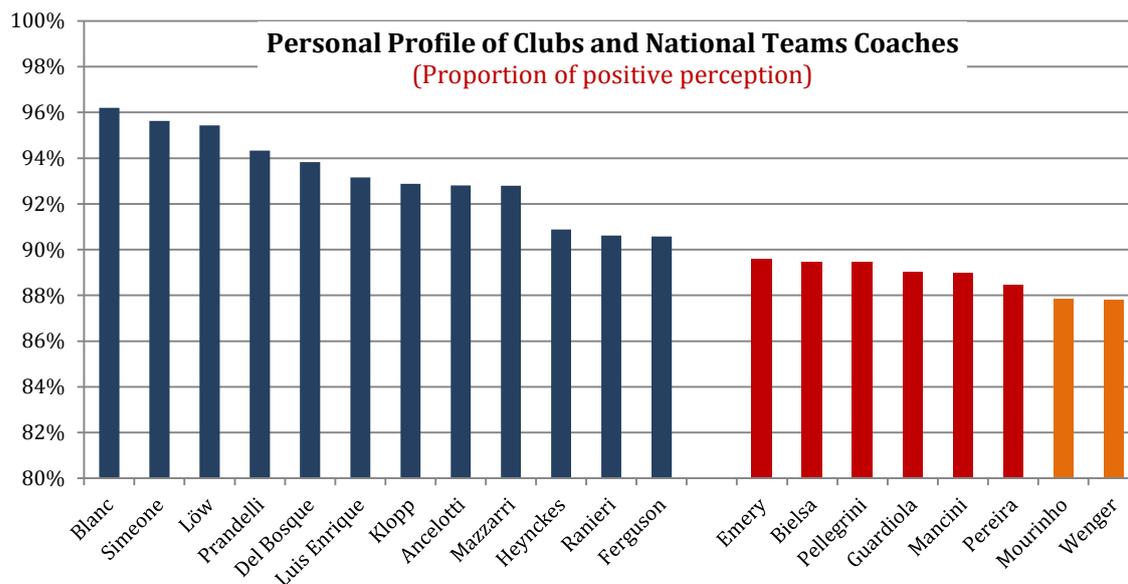
This feature is of great importance because it allows us to draw general conclusions from the analysis performed on a relatively small number of individuals or clubs. Moreover, our analyses lead to conclude that 10% of the players account for half (50%) of the global media visibility in the football industry, with a similar situation occurring in other sports. Likewise, it can be said that 50% of the football players are responsible for 90% of the media value generated in this industry. Hence, when the time comes to develop media value indices, it would be more than fair to express the calculations in terms of the 2,500 best players (of the 5,000 in the original database).

A **second aspect** in the methodology that deserves attention and that has been the subject of discussion with both fellow economists at conferences and with sports professionals, is the possibility that the media visibility would mainly be negative. This is an important objection, considering that one of the applications of the methodology is to translate media value into economic terms. This concern has led us to perform detailed qualitative analyses on several occasions to draw an in-depth analysis of the media perception of the stars: players, coaches, Formula 1 pilots, etc. For example, in the 2009/10 season, we performed a review of the news articles associated with the 40 best players of the moment, distinguishing between positive and negative traits associated with each one.

By way of example, but in no way being exhaustive, we highlight that the appreciation the public and the media has for the great football players is very positive in the immense majority of cases. Players such as: Casillas, Raúl, Pato, Xavi, Ibrahimovic, Forlán, Ribery, Agüero, Messi, Henry, Iniesta, Kaká, Lampard... yielded figures above 93% in positive news, although there were differences between the players. (But even in the case of troublesome players like Robinho and Rooney, the proportion of positive news was 89% as opposed to the 11% of negative news associated with these players).

Furthermore, if we examine other groups that are presumably more vulnerable to criticism – as in the case of club coaches and national team coaches from Figure A3.2 – we conclude that, in most cases, their presence in the media receives a favorable assessment, which in many cases is around 95%.

## Personal Perception in the Media: Coaches of Clubs and National Teams



In short, it seems that the above criticism about the methodology is of little relevance in the practice for the majority of cases, though it is relevant and should not be forgotten.

We now move on to a **third** key aspect of the methodology for the correct understanding and interpretation of the results: the relationship and difference between media value and popularity.

By popularity one could understand the effect left by media visibility as time passes. That is to say, popularity shall be the legacy effect that accumulates around a personality from the sports world and gives him his own identity and a lasting interest. As noted above, the way to capture the legacy effect is to measure Internet traffic associated with a player or a team throughout the years (including websites, blogs, etc.).

In **fourth and last** place, we address some typical questions about technical aspects of the methodology and provide the corresponding answers. We shall do so briefly:

### 1. Does it only include online publications?

The information analyzed in our studies covers all the material that flows in the Internet, including digital content from the written press, radio and television, blogs, etc. Furthermore, the MERIT methodology distinguishes between two elements:

- Media value: news and information content from media sources all around the world (not limited to online news articles since it includes all types of media that reproduce their digital content on the web).
- Cumulative popularity: assessed by the number of websites, blogs, social media mentions, etc., that make reference to a player or team.

### 2. Does it analyze the number of articles or the number of mentions? And as for reviewing the news, does it take into account if they are positive, negative or neutral?

We count the number of different news articles that circulate the web but that could have been replicated by several sources. In any case, this issue affects the calculation of only one of our indicators, media value (and not popularity).

With regards to the positive or negative focus of the information, this is without a doubt the most delicate point of the methodology. We have conducted comprehensive qualitative studies in this regard on several occasions. From these analyses, we have concluded that the number of negative news articles tends to be much more marginal than is generally thought, for we tend to consider the exceptions as rules.

Specifically, in the case of football, the percentage of negative news articles that made reference to a player, coach, etc., is around 6%, reaching 12% in less favorable cases. In other sports, such as Formula 1, the proportion is even lower: between 2 and 6%. In all, save for certain exceptions that require further examination, the perception that players enjoy the sport is usually very favorable.

### **3. Does it consider audiences or somehow consider the number of readers, etc.?**

No. The media audiences are not taken into account. The MERIT methodology does not focus on television audiences nor is it based on the number of readers for a particular medium. However, as numerous studies have already confirmed, our approach does not distort the *comparative* media share, which is the relevant issue.

The MERIT methodology (based on comparative media status of the stars of the show) benefits from the “law of large numbers” and in practice produces reliable results. From the methodological point of view, a priori there is no argument in favor of expecting that a particular player is going to **PROPORTIONALLY** appear more frequently in the media with wider dissemination than other players.

It is crucial to understand that the strength and homogeneity of the MERIT methodology is precisely that it is based on comparative positioning. From that point, one can dismiss the degree of dissemination of a particular medium; this option would be inadmissible if the analysis would attempt to capture media visibility in absolute value.

### **4. When conducting the analysis on a global scale, what languages are included?**

The languages covered by this methodology are the most important ones in practice in the world. Except for Russian and some other languages, the others tend to name players and teams by their original name in English. We also consider Chinese and Japanese, for example, since the names of pilots, players, clubs, coaches, etc. tend to be respected and appear written in the Latin alphabet.

### **5. Media value is expressed in relation to the reference simple of 5.000 athletes. Therefore, if you change the sample set, will the MERIT index change?**

Correct. The MERIT index is expressed in relation to the average value of the simple, and each month and year that reference value is modified when the variables that reach the individuals belonging to the sample set change.

The analyses were calculated on the basis of a representative sample of 5.000 athletes, which allows for a homogenous comparison of any player within the simple. Moreover, the fact that we use the same reference value for all the sports legitimizes the comparisons between athletes belonging to different disciplines: F1, tennis, golf, basketball, football, etc. Of course, in this last case one must be cautious and take into account all the specificities of the competition calendar.

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